EXHIBIT 7

DECLARATION OF THERESA A. MALDONADO

I, Theresa A. Maldonado, declare as follows:

1. I am the system-wide Vice President for Research & Innovation at the University of California (UC), Office of the President. I have held that position since 2020. In addition to my current role, I have a Ph.D. in electrical engineering and over 30 years' academic research experience. As Vice President for Research & Innovation, I have personal knowledge of the contents of this declaration or have knowledge of the matters based on my review of information and records gathered by UC personnel and could testify thereto.

2. UC receives substantial annual funding from the National Science Foundation ("NSF") which is UC's second-largest source of research support, and one of the most important UC-federal partnerships. For Fiscal Year 2023-24, the University received $632,822,750 in NSF grant awards, through 2,048 direct awards and 535 indirect awards. The University expended $435.7 million in direct costs on NSF contracts and grants. For this amount, UC received $138.6 million of facilities and administrative (F&A) indirect cost recovery, which enables UC to provide the infrastructure to support the work. This F&A amount translates to 31.8% recovery on total direct costs.

3. The funding that UC receives from NSF supports critical and cutting-edge research such as advanced materials; quantum technologies artificial intelligence, machine learning & autonomous systems, biomedical sciences and therapeutics and research on earthquakes, wildfires, ocean systems, atmospheric rivers, and environmental monitoring. This research is important not only to our nation's health, welfare and safety, but also for American business, supporting the development of new products and manufacturing processes.

4. Millions of Americans benefit from and depend on this research at UC. For example:

a. One NSF funded research project at UC is creating new ways to design and build custom polymeric materials—long chains of molecules found in everything from plastic to DNA. By using biology as inspiration, this research project is reworking the cell's natural machinery (the ribosome, which normally builds proteins) to assemble these materials with unprecedented precision and variety. This breakthrough could lead to advanced materials for medicine, clothing, electronics, and more. The project also includes educational and public outreach programs, helping to train a new generation of scientists and engage the public in scientific discovery.

b. Researchers at another UC campus are conducting NSF funded research that focuses on advancing materials science by developing new materials with unique and powerful properties. The campus is conducting two main research projects: one aims to create materials that can survive extreme conditions for use in national defense, while the other focuses on developing "living" electronic materials for healthcare applications. By working closely with industry and national labs, the center fosters innovation, trains the next generation of scientists, and contributes to both scientific progress and economic growth.

c. A third UC campus is conducting a research project that aims to develop advanced terahertz imaging technology for quality control in manufacturing, addressing the need for faster and more efficient production processes.

Terahertz imaging offers high-resolution, non-destructive inspection without the health risks of X-rays, but existing systems are too slow and low in sensitivity for large-scale use. The research will focus on creating a high-speed, high-sensitivity terahertz camera with enhanced performance using plasmonic nanoantenna arrays. This innovation will enable faster, non-contact inspections in manufacturing, improving product quality and reducing production costs, while expanding the use of terahertz technology in industrial settings.

d. That same campus also is conducting research to improve how we assess infrastructure damage after major disaster events, like wildfires, earthquakes, or floods, by using artificial intelligence (AI). The goal is to create AI models that can quickly process various types of data, such as images, text, and tabular information, to predict the extent of damage in near real-time. This will help emergency responders, facility owners, and local officials make faster, more informed decisions during the recovery process. The research will also create models that can be applied to different types of disasters, improving overall disaster response and planning

5. Reimbursement of UC's F&A costs is essential for supporting these projects and other types of research supported by the NSF funding portfolio. NSF's proposal to cut F&A cost rates to 15% would end or seriously jeopardize UC's current research sponsored by NSF, including the types of research projects described in paragraph 4.

6. F&A costs include unique equipment, facilities, and testbeds, such as: 1) constructing and maintaining state-of-the-art laboratories and large-scale facilities required to meet the current technical requirements of advanced research and demonstration projects (often

required by NSF), and 2) procurement and maintenance of equipment necessary to conduct such research, such as specialized testing environments, precision instrumentation, and laboratory safety systems. NSF also has significant research security and safety requirements, and certifying compliance to these requirements adds significant costs to the university. These costs are included in the indirect costs of doing NSF research. Without this critical compliance infrastructure, UC cannot conduct the research.

7. For example, with respect to the areas of research described in Paragraph 4, proposed reductions of staffing, with unique expertise and specialized skills, due to decreased indirect costs will have immediate and significant impacts on research capabilities and operational efficiency. Reduced F&A will disrupt the researcher's current NSF-funded projects, arrest their momentum to advance the science, cripple their opportunities to rebuild their research groups, fray crucial partnerships with industry and national laboratories, and impair their competitiveness for new funding for years to come, including from other sponsors. Furthermore, reduced F&A will compromise the campus' ability to review and approve protocols (such as human subjects and animal care and use), potentially causing delays in critical research activities and introducing safety risks. The reduction in indirect costs will also negatively impact UC's ability to maintain unique facilities and equipment necessary for these projects, including state-of-the-art materials research facilities. These impacts further will slow innovation and economic growth and hinder UC's ability to support seed projects, which are essential for engaging new participants and exploring emergent research directions.

8. Physical facilities costs are one of the largest components of F&A costs. This includes not only the usual costs of constructing and maintaining buildings where research occurs, but the very high costs of outfitting and maintaining specialized laboratory space, which can

require 1) advanced HVAC systems with ultra-pure HEPA filtration, 2) specialized plumbing, electrical systems and waste management (including biohazards), as well as 3) specialized laboratory equipment. The features and amount of space available to researchers have a direct and obvious impact on the nature and amount of research that can be done at UC campuses.

9. In addition, as described above, F&A costs fund the administration of awards, including staff, with specialized training, who ensure compliance with a vast number of regulatory mandates from agencies such as NSF. These mandates serve many important functions, including: ensuring research integrity; properly managing and disposing of chemical and biological agents and other materials used in research; managing specialized procurement and security clearance processes for sensitive research; managing funds; preventing technologies and other sensitive national security information from being inappropriately accessed by foreign adversaries; providing the high level of cybersecurity, data storage, and computing environments mandated for regulated data; ensuring compliance with specialized security protocols and safety standards; maintaining facility accreditation and equipment calibration to meet research quality and security standards; and preventing financial conflicts of interest. Along with having the competencies to manage these tasks, these staff sometimes must have security clearances and other approvals to work on sensitive NSF projects.

10. Recovery of UC's F&A costs is based on predetermined rates that have been contractually negotiated with the federal government.

11. Based on fiscal year 2023-2024, the predetermined F&A cost rates are approximately 32%. For 2023-24, the University expended $435.7 million in direct costs on NSF contracts and grants. Of this amount, UC received $138.6 million of F&A indirect cost recovery, which translates to roughly 31.8% recovery on total direct costs.

12. If—contrary to what UC has negotiated with the federal government—the F&A cost rate for NSF grants was reduced to 15%, UC calculates that would reduce the University's anticipated future annual F&A cost recovery by approximately $94.4 million when applying the difference between the existing F&A recovery rate of 32% versus the 15% cap against anticipated future grant funds.

13. This reduction will have immediate, deeply damaging effects on UC's ability to conduct NSF research. It will necessarily and immediately result in staffing reductions across the board, including cuts to staff with specialized expertise and skills who are responsible for cutting-edge research as well as the compliance support necessary to ensure research security and human subject protections. These staffing reductions would significantly hamper UC's ability to continue with critical research projects, and in turn jeopardize its ability to contribute to the nation's security. Moreover, recruiting staff who have the requisite knowledge, experience, and security clearances to work on such projects is exceedingly difficult. Even if funding were later restored, it would be difficult to either re-recruit or find qualified individuals to fill these positions. Their expertise and skills are highly desired by industry and by other countries.

14. UC, like all research-intensive academic institutions, has for decades relied on the payment of F&A costs. And until now, UC has been able to rely on the well-established process for negotiating F&A cost rates with the government to inform its budgeting and planning. Operating budgets rely on an estimate of both direct- and indirect-sponsored funding to plan for annual staffing needs (*e.g.*, post-docs, Ph.D. students, and other research staff), infrastructure support (*e.g.*, IT networks, regulatory compliance, and grant management support), and facility and equipment purchases. And in some cases, UC has long-term obligations—such as debt service

to repay bonds issued to construct research facilities—and it relies on budgeted grant funding, including associated F&A cost recovery, to fulfill these commitments.

15. Disruptions to UC's research will also have negative effects in both the local communities where campuses are located and the entire state of California. UC is the third-largest employer in the state of California, and it collaborates with state and local partners to help solve regional challenges and propel economic development through joint research and innovation. Many of California's leading industries grew from UC research, including biotechnology, computing, semiconductors, telecommunications and agriculture. UC's research also fuels spending in the regional economy, including by driving discoveries that launch new ventures, attract private investment, and make a positive social impact.

16. Finally, slowdowns or halts in research by UC and other U.S. academic research institutions will allow competitor nations that are maintaining their investments in research to surpass the United States on this front, threatening both our U.S. national security and its economic dominance.

17. UC cannot cover the funding gap itself. As a public university, UC reinvests nearly all its revenue into mission-critical activities such as teaching, research, and public service, leaving little margin to absorb unexpected funding gaps to support the research infrastructure. In other words, unlike for-profit organizations, UC does not generate significant surpluses that could be redirected without impacting core academic priorities, such as educational programs and financial aid support for students.

17 Moreover, absorbing the cost of a lower F&A cost rate, even if it were possible, would create long-term budget pressures on UC—which would in turn force reductions in key investments supporting UC's faculty, students, staff, research, and teaching infrastructure, as well

as other critical activities needed to maintain UC's academic excellence. So even if UC could "cover" some of the F&A costs previously funded by NSF, it could do so only by negatively affecting other critical goals central to the institution's mission.

18. If UC's NSF grants are terminated for failure to accept the new F&A cost rate cap—a risk that the majority of UC's NSF grants would face, given the impossibility of carrying out most of its research projects under the 15% cap—the harms described herein would be exacerbated and, in many cases, irreparable. That greater loss in funding from NSF would mean that more significant cost-cutting measures would need to be adopted—and quickly. UC cannot re-direct existing limited resources to fill the gap that would occur if UC does not accept NSF awards at the reduced rate. The process of identifying these cuts would need to begin immediately, and layoffs, closures, and research pauses, contractions, or even closures would follow soon thereafter. Cutting back on UC's research in fields such as AI, advanced materials & nanotechnology, quantum technologies, biomedical sciences and therapeutics, and environmental research will also have long-term implications on national security and the American economy.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on May 6, 2025.

DocuSigned by:
Theresa A Maldonado
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Theresa A. Maldonado